



EUROPEAN CENTRAL BANK

EUROSYSTEM

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Item IV.1

The AnaCredit project

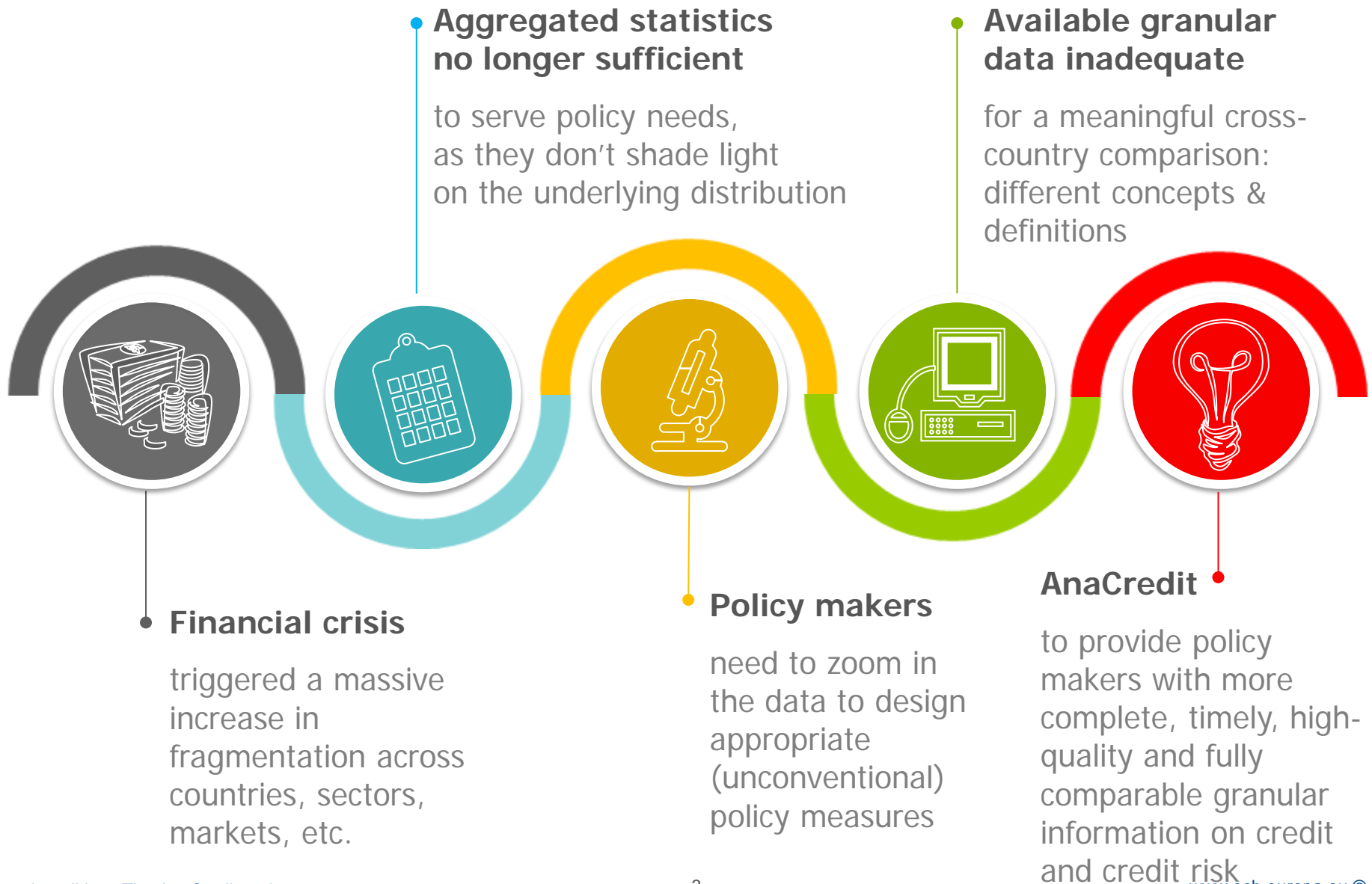
Statistics Committee

Dialogue meeting with the banking industry
on ESCB statistics

Frankfurt am Main, 16 March 2018

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1. Why did we go for AnaCredit?



2. AnaCredit in a nutshell

- AnaCredit = *Analytical Credit Datasets*
- *Loan-by-loan* information on (euro area) **banks' credit exposures** to *all legal entities* – including Small and Medium size Enterprises
- All euro area (19) and, nearly, all (27) *EU countries*
 - ❑ *Reporting from Credit institutions*
- Basic features:
 - ❑ *88 data attributes per loan* (e.g. credit and credit risk, interest rate), plus *7 identifiers* (→ link to *business register*)
 - ❑ Reporting frequency: *monthly* (quarterly for some attributes)
 - ❑ *Proportionality* with possibility for NCBs to grant (full or partial) *derogations to smaller institutions* and €25,000 *reporting threshold*
 - ❑ *First reporting* in November 2018 → 1st reference period *Sept. 2018*

3. Banks to “know their counterparties”

- *Correct identification of counterparties* - e.g. debtors - is key to assess *total indebtedness* and *total exposures* in AnaCredit
 - 20 reference data attributes & country-specific list of entity identifiers
- *Markets in Financial Instruments Directive (MiFID) II* introduced new Know Your Customer (KYC) requirements, including on identification
 - LEI mandatory for all firms subject to Transaction Reporting (TR) obligations
 - need for (some) banks to update their client onboarding software solutions to provide real-time data fields e.g. LEI, status of LEI, legal address, legal name
- Possible *synergies* between AnaCredit & KYC data needs: what banks need to know about their counterparties?
 - *market led initiatives could also help*



4. A magnifying glass for several Central Banks' tasks



AnaCredit will support several key functions of the **ECB**
→ multi-purpose dataset

Monetary policy

Demand & supply in credit markets and access to finance of SMEs

Monetary policy implementation

Collateral and leverage of financial intermediaries

Risk management

Sectoral risk analysis/monitoring for macro stress testing

Financial stability

Risk exposures, interconnectedness and potential contagion

Developing new / enhanced statistics

Micro-macro data comparison, derivation of aggregates

5. Also beneficial for reporting agents



After the initial investment, **reporting agents** will also get a return and benefit from AnaCredit

Lower reporting burden

more stable reporting requirements and less ad-hoc surveys

Easier compliance with regulatory requirements

- definitions and transformation rules in the BIRD
- requirements *closer to data as available* in the banks' systems

Better assessment of credit-worthiness

with feedback information (possibly) provided by NCBs

Benchmarking

meaningful comparison with clusters of banks

Increased standardisation

allows more *automation* and banks to 'speak a common language' between themselves

6. Support to the industry for implementation

- *AnaCredit data model* is complex, as reality is (even more!) complex
- *ECB and NCBs strongly committed in supporting banks* in implementing reporting requirements, also for ensuring data quality
 - publication of (3 Parts of) detailed *Manual* completed *in May 2017* ([link](#))
i.e. 18 months ahead of initial reporting
 - publication of *validation checks* performed on data ([link](#))
 - publication - and regular update – of *Q&As* based on queries by banks to the relevant NCB ([link](#))
 - structured *dialogue* via the *Banks' Integrated Reporting Dictionary (BIRD)*

7. Topics for discussion

1. Rich *documentation on AnaCredit publicly available*:
AnaCredit Regulation, Manual, Validation checks, Q&As
BIRD dialogue and documentation
 - *Is this information sufficient for you?*
 - *Should it be enhanced?*
 - *If yes, how?*
2. How could (and hopefully still can) the ECB and NCBs *further support you* in the preparation and early running up of AnaCredit?
3. General feedback on the *status of implementation*:
How do you stand in preparing for first reporting of AnaCredit data?

thank you!